

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

_____)	
UNITED STATES OF AMERICA,)	
)	
<i>Plaintiff,</i>)	Civil Action No. 1:08CV00746
)	
v.)	Judge: Richard J. Leon
)	
REGAL CINEMAS, INC.,)	Filed:
)	
and)	
)	
CONSOLIDATED THEATRES HOLDINGS, GP)	
)	
<i>Defendants.</i>)	
_____)	

AFFIDAVIT OF GREGG I. MALAWER

I, Gregg I. Malawer, do depose and say:

1. I am an attorney with the United States Department of Justice, Antitrust Division, assigned to this matter. I make this affidavit in support of the Motion of the United States for Appointment of Mr. Holmes P. Harden as Trustee (“Motion for Appointment”).
2. This Court entered the Final Judgment in this case on October 29, 2008.
3. Plaintiff’s Motion for Appointment is made pursuant to Section V of the Final Judgment in this case.
4. The facts set forth in the Plaintiff’s Memorandum in Support of Motion of the United States for Appointment of Trustee are true and accurate to the best of my belief and knowledge.

5. A copy of the Final Judgment (Exhibit 1), a copy of Mr. Harden's biography and a copy of the brochure for the law firm Williams Mullen (Exhibit 2) are attached hereto.
6. I declare under penalty of perjury that the foregoing is true and correct.



Gregg I. Malawer (D.C. Bar No. 481685)
United States Department of Justice
Antitrust Division, Litigation III Section
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Email: gregg.malawer@usdoj.gov

Subscribed and sworn to before me
this day of November 17, 2008



Notary Public

MY COMMISSION EXPIRES 06/30/2011

CERTIFICATE OF SERVICE

I hereby certify that on November 17, 2008, I caused a copy of the foregoing Affidavit of Gregg I. Malawer to be served by electronic mail to counsel for defendants listed below:

Counsel of Record for Defendants
Robert Bell
Jeffrey Ayer
Wilmer Cutler Pickering Hale and Dorr LLP
1875 Pennsylvania Avenue, N.W.
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_____/s/_____
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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

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UNITED STATES OF AMERICA,)	
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<i>Plaintiff,</i>)	
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v)	Civil Action No. 08-746 (RJL)
)	
REGAL CINEMAS, INC.,)	
)	
and)	
)	
CONSOLIDATED THEATRES HOLDINGS, GP)	
)	
<i>Defendants.</i>)	
)	

FINAL JUDGMENT

WHEREAS, Plaintiff, United States of America filed its Complaint on April 29, 2008, the United States and Defendants, Regal Cinemas, Inc. ("Regal") and Consolidated Theatres Holdings, GP ("Consolidated"), by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law, and without this Final Judgment constituting any evidence against or admission by any party regarding any issue of fact or law;

AND WHEREAS, Defendants agree to be bound by the provisions of this Final Judgment pending its approval by the Court;

AND WHEREAS, the essence of this Final Judgment is the prompt and certain divestiture of certain rights or assets by the Defendants to assure that competition is not substantially lessened,

AND WHEREAS, the United States requires Defendants to make certain divestitures for the purpose of remedying the loss of competition alleged in the Complaint;

AND WHEREAS, Defendants have represented to the United States that the divestitures required below can and will be made and that Defendants will later raise no claim of hardship or difficulty as grounds for asking the Court to modify any of the divestiture provisions contained below;

NOW THEREFORE, before any testimony is taken, without trial or adjudication of any issue of fact or law, and upon consent of the parties, it is ORDERED, ADJUDGED AND DECREED.

I. Jurisdiction

This Court has jurisdiction over the subject matter of and each of the parties to this action. The Complaint states a claim upon which relief may be granted against Defendants under Section 7 of the Clayton Act, as amended (15 U.S.C. § 18).

II. Definitions

As used in this Final Judgment:

A. “Acquirer” or “Acquirers” means the entity or entities to whom Defendants divest the Theatre Assets

B. “Regal” means Defendant Regal Cinemas Inc., a Tennessee corporation with its headquarters in Knoxville, Tennessee, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees

C. “Consolidated” means defendant Consolidated Theatres Holdings, GP, a North Carolina Partnership, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

D. “Landlord Consent” means any contractual approval or consent that the landlord or owner of one or more of the Theatre Assets, or the property on which one or more of the Theatre Assets is situated, must grant prior to the transfer of one of the Theatre Assets to an Acquirer.

E. “Theatre Assets” means the first-run, commercial motion picture theatre businesses operated by Regal or Consolidated, under the following names and at the following locations.

	Theatre Name	Theatre Address
i.	Crown Point 12	9630 Monroe Road, Charlotte, NC 28270
ii.	Raleigh Grand 16	4840 Grove Barton Road, Raleigh, NC 27613
iii.	Town Square 10	2600 Timber Dr Garner, NC 27529
iv.	Hollywood 14	1640 Hendersonville Rd, Asheville, NC 28803

The term “Theatre Assets” includes:

1. All tangible assets that comprise the first-run, commercial motion picture theatre business including all equipment, fixed assets and fixtures, personal property, inventory, office furniture, materials, supplies, and other tangible property and all assets used in connection with the Theatre Assets, all licenses, permits and authorizations issued by any governmental

organization relating to the Theatre Assets; all contracts, teaming arrangements, agreements, leases, commitments, certifications, and understandings, relating to the Theatre Assets, including supply agreements; all customer lists, contracts, accounts, and credit records; all repair and performance records and all other records relating to the Theatre Assets;

2. All intangible assets used in the development, production, servicing and sale of Theatre Assets, including, but not limited to all patents, licenses and sublicenses, intellectual property, technical information, computer software (except defendants' proprietary software) and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, specifications for parts and devices, safety procedures for the handling of materials and substances, quality assurance and control procedures, design tools and simulation capability, all manuals and technical information Defendants provide to their own employees, customers, suppliers, agents or licensees, and all research data concerning historic and current research and development efforts relating to the Theatre Assets. Provided, however, that this term does not include any right to use or interests in defendants' trademarks, trade names, service marks or service names, or copyrighted advertising materials

III. Applicability

A This Final Judgment applies to Regal and Consolidated, as defined above, and all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise

B If, prior to complying with Section IV and V of this Final Judgment, Defendants sell or otherwise dispose of all or substantially all of their assets or of lesser business units that include the Theatre Assets, they shall require the purchaser to be bound by the provisions of this

Final Judgment. Defendants need not obtain such an agreement from the acquirers of the assets divested pursuant to this Final Judgment

IV. Divestitures

A. Defendants are ordered and directed, within ninety (90) calendar days after the filing of the Complaint in this matter, or five (5) calendar days after notice of the entry of this Final Judgment by the Court, whichever is later, to divest the Theatre Assets in a manner consistent with this Final Judgment to an Acquirer(s) acceptable to the United States in its sole discretion. The United States, in its sole discretion, may agree to one or more extensions of this time period not to exceed ninety (90) calendar days in total, and shall notify the Court in such circumstances. Defendants agree to use their best efforts to divest the Theatre Assets as expeditiously as possible.

B. In accomplishing the divestitures ordered by this Final Judgment, Defendants promptly shall make known, by usual and customary means, the availability of the Theatre Assets. Defendants shall inform any person making inquiry regarding a possible purchase of the Theatre Assets that they are being divested pursuant to this Final Judgment and provide that person with a copy of this Final Judgment. Defendants shall offer to furnish to all prospective Acquirers, subject to customary confidentiality assurances, all information and documents relating to the Theatre Assets customarily provided in a due diligence process except such information or documents subject to the attorney-client privilege or work product doctrine. Defendants shall make available such information to the United States at the same time that such information is made available to any other person.

C. Defendants shall provide the Acquirers and the United States information relating to the personnel involved in the operation of the Theatre Assets to enable the Acquirers to make offers of employment. Defendants will not interfere with any negotiations by the Acquirers to employ any Defendant employee whose primary responsibility is the operation of the Theatre Assets.

D. Defendants shall permit prospective Acquirers of the Theatre Assets to have reasonable access to personnel and to make inspections of the physical facilities of the Theatre Assets; access to any and all environmental, zoning, and other permit documents and information; and access to any and all financial, operational, or other documents and information customarily provided as part of a due diligence process.

E. Defendants shall warrant to all Acquirers of the Theatre Assets that each asset will be operational on the date of sale.

F. Defendants shall not take any action that will impede in any way the permitting, operation, or divestitures of the Theatre Assets. At the option of the Acquirers, Defendants shall enter into an agreement for products and services, such as computer support services, that are reasonably necessary for the Acquirer(s) to effectively operate the Theatre Assets during a transition period. The terms and conditions of any contractual arrangements meant to satisfy this provision must be commercially reasonable for those products and services for which the agreement is entered and shall remain in effect for no more than three months, absent approval of the United States, in its sole discretion.

G. Defendants shall warrant to the Acquirers that there are no material defects in the environmental, zoning or other permits pertaining to the operation of each asset, and that

following the sale of the Theatre Assets. Defendants will not undertake, directly or indirectly, any challenges to the environmental, zoning, or other permits relating to the operation of the Theatre Assets.

H. Unless the United States otherwise consents in writing, the divestitures made pursuant to Section IV, or by trustee appointed pursuant to Section V, of this Final Judgment, shall include the entire Theatre Assets, and shall be accomplished in such a way as to satisfy the United States, in its sole discretion that the Theatre Assets can and will be used by the Acquirers as part of a viable, ongoing business of first-run, commercial motion picture theatres.

Divestitures of the Theatre Assets may be made to one or more Acquirers, provided that in each instance it is demonstrated to the sole satisfaction of the United States that the Theatre Assets will remain viable and the divestitures of such assets will remedy the competitive harm alleged in the Complaint. The divestitures, whether pursuant to Section IV or Section V of this Final Judgment,

- (1) shall be made to an Acquirer(s) that, in the United States's sole judgment, has the intent and capability (including the necessary managerial, operational, technical and financial capability) of competing effectively in the business of first-run, commercial motion picture theatres; and
- (2) shall be accomplished so as to satisfy the United States, in its sole discretion, that none of the terms of any agreement between an Acquirer(s) and Defendants give Defendants the ability unreasonably to raise the Acquirer's costs, to lower the Acquirer's efficiency, or otherwise to interfere in the ability of the Acquirer(s) to compete effectively

V. Appointment of Trustee

A. If Defendants have not divested the Theatre Assets within the time period specified in Section IV(A), Defendants shall notify the United States of that fact in writing. Upon application of the United States, the Court shall appoint a trustee selected by the United States and approved by the Court to effect the divestitures of the Theatre Assets.

B. After the appointment of a trustee becomes effective, only the trustee shall have the right to sell the Theatre Assets. The trustee shall have the power and authority to accomplish the divestitures to an Acquirer(s) acceptable to the United States at such price and on such terms as are then obtainable upon reasonable effort by the trustee, subject to the provisions of Sections IV, V, VI, and VII of this Final Judgment, and shall have such other powers as this Court deems appropriate. Subject to Section V(D) of this Final Judgment, the trustee may hire at the cost and expense of Defendants any investment bankers, attorneys, or other agents, who shall be solely accountable to the trustee, reasonably necessary in the trustee's judgment to assist in the divestiture.

C. Defendants shall not object to a sale by the trustee on any ground other than the trustee's malfeasance. Any such objections by Defendants must be conveyed in writing to the United States and the trustee within ten (10) calendar days after the trustee has provided the notice required under Section VII.

D. The trustee shall serve at the cost and expense of Defendants, on such terms and conditions as the United States approves, and shall account for all monies derived from the sale of the assets sold by the trustee and all costs and expenses so incurred. After approval by the Court of the trustee's accounting, including fees for its services and those of any professionals

and agents retained by the trustee, all remaining money shall be paid to Defendants and the trust shall then be terminated. The compensation of the trustee and any professionals and agents retained by the trustee shall be reasonable in light of the value of the Theatre Assets and based on a fee arrangement providing the trustee with an incentive based on the price and terms of the divestitures and the speed with which it is accomplished, but timeliness is paramount.

E. Defendants shall use their best efforts to assist the trustee in accomplishing the required divestitures. The trustee and any consultants, accountants, attorneys, and other persons retained by the trustee shall have full and complete access to the personnel, books, records, and facilities of the business to be divested, and Defendants shall develop financial and other information relevant to such business as the trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information. Defendants shall take no action to interfere with or to impede the trustee's accomplishment of the divestitures.

F. After its appointment, the trustee shall file monthly reports with the United States and the Court setting forth the trustee's efforts to accomplish the divestitures ordered under this Final Judgment. To the extent such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. Such reports shall include the name, address, and telephone number of each person who, during the preceding month, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Theatre Assets, and shall describe in detail each contact with any such person. The trustee shall maintain full records of all efforts made to divest the Theatre Assets.

G. If the trustee has not accomplished the divestitures ordered under this Final Judgment within six months after its appointment, the trustee shall promptly file with the Court a report setting forth (1) the trustee's efforts to accomplish the required divestitures, (2) the reasons, in the trustee's judgment, why the required divestitures have not been accomplished, and (3) the trustee's recommendations. To the extent such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. The trustee shall at the same time furnish such report to the United States which shall have the right to make additional recommendations consistent with the purpose of the trust. The Court thereafter shall enter such orders as it shall deem appropriate to carry out the purpose of the Final Judgment, which may, if necessary, include extending the trust and the term of the trustee's appointment by a period requested by the United States.

VI. Landlord Consent

A. If Defendants are unable to effect the divestitures required herein due to the inability to obtain the Landlord Consent for any of the Theatre Assets, Defendants shall divest alternative Theatre Assets that compete effectively with the theatre for which the Landlord Consent was not obtained. The United States shall, in its sole discretion, determine whether such theatre competes effectively with the theatre for which landlord consent was not obtained.

B. Within five (5) business days following a determination that Landlord Consent cannot be obtained for one of the Theatre Assets, Defendants shall notify the United States and propose an alternative divestiture pursuant to Section VI(A). The United States shall have then ten (10) business days in which to determine whether such theatre is a suitable alternative

pursuant to Section VI(A). If the Defendants' selection is deemed not to be a suitable alternative, the United States shall in its sole discretion select the theatre to be divested.

C. If the trustee is responsible for effecting the divestitures, it shall notify both the United States and the Defendants within five (5) business days following a determination that Landlord Consent can not be obtained for one of the Theatre Assets. Defendants shall thereafter have five (5) business days to propose an alternative divestiture pursuant to Section VI(a). The United States shall have then ten (10) business days in which to determine whether such theatre is suitable alternative pursuant to Section VI(A). If the Defendants' selection is deemed not to be a suitable competitive alternative, the United States shall in its sole discretion select the theatre to be divested.

VII. Notice of Proposed Divestitures

A. Within two (2) business days following execution of a definitive divestiture agreement, Defendants or the trustee, whichever is then responsible for effecting the divestitures required herein, shall notify the United States of any proposed divestitures required by Sections IV or V of this Final Judgment. If the trustee is responsible, it shall similarly notify Defendants. The notice shall set forth the details of the proposed divestitures and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership interest in the Theatre Assets, together with full details of the same.

B. Within fifteen (15) calendar days of receipt by the United States of such notice, the United States may request from Defendants, the proposed Acquirer(s), any other third party, or the trustee, if applicable, additional information concerning the proposed divestitures, the

proposed Acquirer(s), and any other potential Acquirer. Defendants and the trustee shall furnish any additional information requested within fifteen (15) calendar days of the receipt of the request, unless the parties shall otherwise agree.

C. Within thirty (30) calendar days after receipt of the notice or within twenty (20) calendar days after the United States has been provided the additional information requested from Defendants, the proposed Acquirer(s), any third party, and the trustee, whichever is later, the United States shall provide written notice to Defendants and the trustee, if there is one, stating whether or not it objects to the proposed divestitures. If the United States provides written notice that it does not object, the divestitures may be consummated, subject only to Defendants' limited right to object to the sale under Section V(C) of this Final Judgment. Absent written notice that the United States does not object to the proposed Acquirer(s) or upon objection by the United States, a divestiture proposed under Section IV or Section V shall not be consummated. Upon objection by Defendants under Section V(C), a divestiture proposed under Section V shall not be consummated unless approved by the Court.

VIII. Financing

Defendants shall not finance all or any part of any purchase made pursuant to Section IV or V of this Final Judgment.

IX. Hold Separate

Until the divestitures required by this Final Judgment have been accomplished, Defendants shall take all steps necessary to comply with the Hold Separate Stipulation and Order entered by this Court. Defendants shall take no action that would jeopardize the divestitures ordered by this Court.

X. Affidavits

A. Within twenty (20) calendar days of the filing of the Complaint in this matter, and every thirty (30) calendar days thereafter until the divestitures have been completed under Sections IV or V, Defendants shall deliver to the United States an affidavit as to the fact and manner of its compliance with Section IV or V of this Final Judgment. Each such affidavit shall include the name, address, and telephone number of each person who, during the preceding thirty (30) calendar days, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Theatre Assets, and shall describe in detail each contact with any such person during that period. Each such affidavit shall also include a description of the efforts Defendants have taken to solicit buyers for the Theatre Assets, and to provide required information to prospective purchasers, including the limitations, if any, on such information. Assuming the information set forth in the affidavit is true and complete, any objection by the United States to information provided by defendants, including limitation on information, shall be made within fourteen (14) calendar days of receipt of such affidavit.

B. Within twenty (20) calendar days of the filing of the Complaint in this matter, defendants shall deliver to the United States an affidavit that describes in reasonable detail all actions defendants have taken and all steps defendants have implemented on an ongoing basis to comply with Section IX of this Final Judgment. Defendants shall deliver to the United States an affidavit describing any changes to the efforts and actions outlined in defendants' earlier affidavits filed pursuant to this section within fifteen (15) calendar days after the change is implemented.

C. Defendants shall keep all records of all efforts made to preserve and divest the Theatre Assets until one year after such divestitures have been completed.

XI. Compliance Inspection

A. For the purposes of determining or securing compliance with this Final Judgment, or of determining whether the Final Judgment should be modified or vacated, and subject to any legally recognized privilege, from time to time duly authorized representatives of the United States Department of Justice, including consultants and other persons retained by the United States, shall, upon written request of an authorized representative of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to defendants, be permitted:

- (1) access during defendants' office hours to inspect and copy, or at the option of the United States, to require defendants to provide hard copy or electronic copies of, all books, ledgers, accounts, records, data, and documents in the possession, custody, or control of defendants, relating to any matters contained in this Final Judgment; and
- (2) to interview, either informally or on the record, defendants' officers, employees, or agents, who may have their individual counsel present, regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by defendants.

B. Upon the written request of an authorized representative of the Assistant Attorney General in charge of the Antitrust Division, defendants shall submit written reports or response to written interrogatories, under oath if requested, relating to any of the matters contained in this Final Judgment as may be requested.

C. No information or documents obtained by the means provided in this section shall be divulged by the United States, to any person other than an authorized representative of the executive branch of the United States, except in the course of legal proceedings to which the

United States is a party (including grand jury proceedings), or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

D. If at the time information or documents are furnished by defendants to the United States, defendants represent and identify in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(7) of the Federal Rules of Civil Procedure, and defendants mark each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(7) of the Federal Rules of Civil Procedure," then the United States shall give defendants ten (10) calendar days notice prior to divulging such material in any legal proceeding (other than a grand jury proceeding).

XII. Notification

Unless such transaction is otherwise subject to the reporting and waiting period requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, 15 U.S.C. § 18a (the "HSR Act"), defendants, without providing advance notification to the Department of Justice, shall not directly or indirectly acquire any assets of or any interest, including any financial, security, loan, equity or management interest, in the business of first-run, commercial theatres in Mecklenburg County, North Carolina; Wake County, North Carolina; and Buncombe County, North Carolina during a ten year period. This notification requirement shall apply only to the acquisition of any assets or any interest in the business of first-run, commercial motion picture theatres at the time of the acquisition and shall not be construed to require notification of acquisition of interest in new theatre developments or of assets not being operated as first-run commercial motion picture theatre businesses, provided, that this notification

requirement shall apply to first-run, commercial theatres under construction at the time of the entering of this Final Judgment.

Such notification shall be provided to the Department of Justice in the same format as, and per the instructions relating to the Notification and Report Form set forth in the Appendix to Part 803 of Title 16 of the Code of Federal Regulations as amended, except that the information requested in Items 5 through 9 of the instructions must be provided only about first-run, commercial theatres. Notification shall be provided at least thirty (30) calendar days prior to acquiring any such interest, and shall include, beyond what may be required by the applicable instructions, the names of the principal representatives of the parties to the agreement who negotiated the agreement, and any management or strategic plans discussing the proposed transaction. If within the 30-day period after notification, representatives of the Antitrust Division make a written request for additional information, defendants shall not consummate the proposed transaction or agreement until thirty (30) days after submitting all such additional information. Early termination of the waiting periods in this paragraph may be requested and, where appropriate, granted in the same manner as is applicable under the requirements and provisions of the HSR Act and rules promulgated thereunder. This Section shall be broadly construed and any ambiguity or uncertainty regarding the filing of notice under this Section shall be resolved in favor of filing notice.

XIII. No Reacquisition

Defendants may not reacquire any part of the theatre assets divested under this Final Judgment during the term of this Final Judgment.

XIV. Retention of Jurisdiction

This Court retains jurisdiction to enable any party to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Final Judgment, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions

XV. Expiration of Final Judgment

Unless this Court grants an extension, this Final Judgment shall expire ten years from the date of its entry.

XVI. Public Interest Determination

Entry of this Final Judgment is in the public interest. The parties have complied with the requirements of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16, including making copies available to the public of this Final Judgment, the Competitive Impact Statement, and any comments thereon and the United States's responses to comments. Based upon the record before the Court, which includes the Competitive Impact Statement and any comments and response to comments filed with the Court, entry of this Final Judgment is in the public interest.

Date:

10/29/08

Court approval subject to procedures
of Antitrust Procedures and Penalties
Act, 15 U.S.C. § 16



United States District Judge



August 2008

WILLIAMS MULLEN®

Select Qualifications

Prepared for Regal Theaters



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Where Every Client is a Partner®

About Williams Mullen

Where Every Client is a Partner

Williams Mullen provides comprehensive legal services to regional, national and international clients. With more than 300 attorneys and twelve offices throughout North Carolina, Virginia, Washington, D.C. and in London, we deliver innovative solutions to support our clients' diverse business activities. Close working relationships with clients have been the foundation of Williams Mullen's progressive approach to law practice since the firm was founded nearly 100 years ago.

Williams Mullen brings together teams by drawing on the resources of not just one office, but all of our offices. Legal needs determine how we structure an individual client's team. Attorneys versed in over 30 different practice areas allow us to assemble versatile and formidable teams. Our technology and staff are configured to support our teams within offices, between offices and in every relationship with our clients.

In 2007, Williams Mullen merged with Maupin Taylor, creating one of the largest full service business law firms in the Southeast. Expanded capabilities further strengthen our service to clients on a regional, national and international basis.

Practice Areas Include:

Antitrust
Aviation
Bankruptcy
Business
Business Relocation/Expansion
Business Succession Planning
Communications
Complex Business Litigation
Construction
Consumer Finance
Corporate Finance & Securities
E-commerce
Employee Benefits
Energy
Environmental
Estate Planning
Family Law
Fiduciary Litigation
Financial Services
Franchising & Distribution
Government Contracts
Governmental Affairs
Health Care
Immigration
Intellectual Property
International
Labor & Employment
Land Use
Litigation
Maritime
Multistate Corporate Compliance &
Public Policy Group
Patent
Petroleum
Private Equity
Public Finance
Real Estate
Tax Controversy
Tax Law
Technology/IP/Entertainment
Trust and Estate Administration

Recognized Leader

Included in the AMLAW 200--
American Lawyer magazine's
listing of the 200 top law firms
in the United States

96 lawyers named to the 2007
Virginia and North Carolina
"Legal Elite" Lists

Voted one of America's Best
Corporate Law Firms by
Corporate Board Member
magazine

Named as a Leading Law firm
by *Chambers USA* since 2003

Was named a *Go-To Law Firm™* for Intellectual
Property by *Corporate Counsel*
magazine in 2006

Bankruptcy & Workouts Practice

Services Overview

Williams Mullen partners with regional, national and international clients to find creative solutions in loan workouts and collections, troubled company turnarounds, bankruptcy planning and proceedings, and corporate restructurings through negotiation, litigation or a transactional approach. The group is supported by other Williams Mullen lawyers working in related fields such as corporate and securities law, finance, tax, government contracts, real estate, government relations, intellectual property and labor and employment. Experience includes representing individual creditors and committees in reorganization and workout matters, advising buyers and sellers of distressed assets and debt, and structuring and closing a variety of debt transactions for lenders, investors and borrowers. Our partner clients reflect a broad industry array such as financial institutions, retail, communications, manufacturing and hospitality.

Documentation of Financings, Restructurings, Sales, Acquisitions & Workouts

Williams Mullen represents clients in the planning, negotiating and documenting debt restructurings, sales and acquisitions of assets, entities and debt instruments, and negotiated financings with the goal of enforcing and protecting their rights. Our lawyers represent lenders, landlords, issuers and borrowers in a broad variety of restructuring transactions including senior and mezzanine financings, debtor-in-possession (DIP) and letter of credit financings. We help clients manage risk relating to the sale and acquisition of assets and debt of financially distressed businesses via bankruptcy sales, reorganizations, foreclosures and other proceedings. Due to our broad range of experience, our attorneys have developed expertise in various fields including the financial, retail, real estate, hospitality, technology and government contracts industries.

Bankruptcy Litigation

In addition to the traditional bankruptcy related creditors' rights services we provide, Williams Mullen bankruptcy and litigation lawyers have been handled claims and disputes relating to debtor-in-possession financing, fraudulent conveyances, equitable subordination and debt recharacterization, professional retention and compensation, plan confirmation contests, substantive consolidation, director and officer liability issues and appeals, among other things. In complex matters, our bankruptcy and litigation teams often collaborate to provide the optimum focus and experience to address the client's interests. Although many of the most complicated disputes that arise in the debtor/creditor context can be resolved with creative and thoughtful lawyering, when negotiated resolutions fail, we have the litigation experience to serve our clients from discovery through trial and beyond.

Bankruptcy & Workouts Practice

Services

Fraudulent Conveyance and Preferential Transfer Analysis and Litigation

Our clients' most common experience with bankruptcy law is a demand to repay a preference, often followed by a complaint and litigation. The preference and fraudulent conveyance provisions of the Bankruptcy Code are in fact the most litigated of the Bankruptcy Code's avoidance powers. Our lawyers have analyzed the strength of preference and fraudulent conveyance claims and available defenses many times for a variety of clients in many industries over the years. We have a firm grasp of all the issues and are adept at achieving favorable outcomes.

Avoiding or limiting preference and fraudulent conveyance liability in the first instance can be complicated, but strategies may be implemented to minimize potential future loss. We frequently give practical and legal advice regarding the structuring of commercial transactions in order to diminish the chances that those transactions will come unwound in bankruptcy court through secured party sales, which may be through public or private sales. Due to our broad range of experience, our attorneys have developed expertise in the most efficient and profitable method of the disposition of assets which serve as collateral for our clients.

Foreclosure of Security Interests

Williams Mullen represents clients in the handling of real estate foreclosure sales and secured party personal property sales. Our lawyers represent banks, commercial lenders, mortgage companies and institutional lenders in executing deeds of trust through the conduct of foreclosure sales on all forms of commercial and/or residential property. Our attorneys also advise lenders as to potential real estate title issues which may arise throughout the course of a foreclosure sale, including proper disposition of Federal tax liens and/or mechanic's liens, which may be recorded against the property. Our attorneys are also familiar with alternative methods of disposition of real estate collateral, including Deeds in Lieu of Foreclosure, short sales and similar arrangements.

With respect to personal property, our attorneys have represented the same lenders in handling the disposition and enforcement of security interest in personal property through secured party sales, which may be through public or private sales. Due to our broad range of experience, our attorneys have developed expertise in the most efficient and profitable method of the disposition of assets which serve as collateral for our clients.

Bankruptcy & Workouts Practice

Representative Experience

- Represented the official unsecured creditors' committee in the National Waste Services bankruptcy proceedings in the District of Delaware.
- Represented a national bank as indenture trustee in Chapter 11 proceedings involving a significant assisted living facility with bond indebtedness of over \$50 million.
- Represented a national bank as indenture trustee for convertible subordinated debenture issue in Farm Fresh Chapter 11 bankruptcy, pending in the District of Delaware, which involved a pre-packaged bankruptcy and issues concerning rights of debenture holders to convert pre-petition and post-petition.
- Represented a NYSE listed company as debtor and debtor-in-possession in a Chapter 11 proceeding, resulting in confirmed plan of liquidation.
- Represented former CEO and director of major coal company in complex litigation involving Chapter 5, deepening insolvency and similar claims.
- Represented the largest bank creditor in the A. H. Robins bankruptcy proceedings.
- Represented a major national airline, handling the financing and subsequent asset acquisition of a regional air carrier that was operating under Chapter 11 in the mid-Atlantic Region.
- Represented a major insurance company in connection with the Craddock-Terry Shoe Corporation case in a bankruptcy proceeding in the Western District of Virginia.
- Represented a major property and casualty insurance company in connection with its claim and certain counter-claims asserted in the Equity Programs Investment Corp. bankruptcy proceedings, which involved over 350 real estate partnerships and more than 20,000 properties nationwide.
- Represented an indenture trustee on the official committee of unsecured creditors in the Dart Drug Stores, Inc. bankruptcy proceedings in the District of Maryland.

Bankruptcy & Workouts Practice

Representative Experience

- Represented a savings and loan as a major party-in-interest in the Cardian bankruptcy proceedings in the Eastern District of Virginia.
- Represented the official unsecured creditors’ committee in the A. B. Liquidating Corp. (Anderson Brothers Bookstores) bankruptcy proceedings in the Western District of Virginia.
- Represented primary unsecured creditor and participated in successful plan negotiations in major healthcare system bankruptcy in the District of Columbia.
- Represented lender in Fourth Circuit Court of Appeals in truth-in-lending rescission claim.
- Represented corporate trustee for Industrial Development Authority to enforce an Assignment of Rents and Profits Agreement by taking possession of two large multi-family townhouse apartment complexes, prosecuting a motion for relief from stay in a subsequent bankruptcy proceeding, and disposing of the complexes.
- Served as statewide problem loan workout counsel for major insurance company, handling commercial real estate workouts throughout Central Virginia, Tidewater, Northern Virginia and Southwest Virginia.
- Represented indenture trustee for moral obligation industrial revenue bonds in the 5 B’s, Inc. bankruptcy proceeding in Columbus, Ohio and handled the liquidation of real estate and equipment collateral and the sale of the remaining bonds to moral obligor.
- Represented indenture trustee in workout and collection efforts involving industrial revenue bonds issued to finance operations and improvements to a small private Virginia college.
- Represented the Securities Investor Protection Corporation (SIPC) in the only two stock brokerage bankruptcy (“SIPA”) liquidations ever filed in North Carolina.
- Represented one of Eastern North Carolina’s biggest residential and commercial real estate developers in its Chapter 11 bankruptcy reorganization.

Workouts & Bankruptcy Practice

Representative Experience

- Ongoing representation of trustees and examiners in matters in the Eastern and Middle Districts of North Carolina including representation of one Chapter 7 Trustee for a major airline.
- Developed a large office and retail commercial real estate subdivision, including surveying, plats, permits, road and utilities construction and sales as Chapter 11 Trustee for the owner partnership.
- Management and liquidation of radio stations in four states as Chapter 11 Trustee for the owner corporation.
- Representation of Trustee in Japanese bankruptcy case under new Chapter 15 proceeding for purpose of selling real and personal property assets in the United States.
- Represented primary secured lender in multi-million dollar public sale of assets of distressed chemical company in Georgia and Florida.
- Represented secured lender in contentious and protracted discharge, and chargeability litigation of individual professionals as a result of a business break-up.
- Represented national hotel franchisor in obtaining dismissal of Chapter 11 franchises bankruptcy case.
- Represented major gas grill manufacturer in purchase of real estate and manufacturing facility through a Section 363(b) and (f) sale of assets of national Chapter 11 fitness equipment manufacturer and supplier.
- Defended several retailers, manufacturers and major oil company in high dollar preference suits in large national and regional Chapter 11 cases.
- Successfully negotiated and litigated lease assumption and assignment issues and lease rejection issues under Section 365 of the Bankruptcy Code for real and property lessors including real estate developers and equipment lessors in major Chapter 11 proceedings of national and regional retailers.



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Holmes Harden is a partner in the Financial Services Section at Williams Mullen, where he focuses on bankruptcy and creditors' rights matters. Mr. Harden has extensive experience in the representation of financial institutions, including all aspects of creditor representation in connection with commercial loans, workouts and contested bankruptcy matters. He has represented banks (both in-state and out-of-state) and Fortune 500 companies in bankruptcy courts across North Carolina. He also represents large institutional lenders in complex real estate matters, asset-based financing matters and creditors' rights litigation. Prior to joining the firm, he served as a law clerk to the Honorable Naomi E. Morris, Chief Judge of the North Carolina Court of Appeals.

Mr. Harden was among the first attorneys certified as a specialist in business and consumer bankruptcy law by the North Carolina State Bar Board of Legal Specialization. Mr. Harden also has a certification in business bankruptcy law from the American Bankruptcy Board of Specialization. He has been named to *Business North Carolina* magazine's "Legal Elite" and is listed in *The Best Lawyers in America* as well as *The Best Lawyers Consumer Guide* published by the editors of *Best Lawyers in America*. He has also been named listed in *North Carolina Super Lawyers* magazine. Mr. Harden is also a fellow of the Litigation Counsel of America.

Mr. Harden is admitted to practice in North Carolina and is a member of the Bankruptcy and Business, Banking & Commercial Law sections of the North Carolina Bar Association. He has been a member of the Panel of Chapter 7 Bankruptcy Trustees, Eastern District of North Carolina since 1983. Mr. Harden is active in the American Bankruptcy Institute, the Council of Certified Bankruptcy Specialists, the National Association of Bankruptcy Trustees, and the Turnaround Management Association.

Mr. Harden is legal counsel to the Occoneechee Council Boy Scouts of America, a member of the Occoneechee Council Executive Board, and also a former Eagle Scout. He is chairman emeritus and a past president and director of the Alzheimer's Association of Eastern North Carolina Chapter. Mr. Harden is active in the Rotary Club of Raleigh and as a member of the Oakview Advisory Board. He is a past member of the Raleigh Historic Districts Commission and a graduate of Leadership Raleigh.

Mr. Harden earned a bachelor of arts degree, *cum laude*, from Davidson College and a juris doctor degree from the University of North Carolina School of Law.